

Classification

Enclosures

2048-195

3

Record Section File No.

Copy No. 6-1

For Record Section Only

RECEIVED 8/2 W. D. SEP 4 1940

MILITARY INTELLIGENCE DIVISION

WAR DEPARTMENT GENERAL STAFF

MILITARY ATTACHE REPORT Argentina.

RESTRICTED

Country Reported On

Subject COMMENTS ON CURRENT EVENTS No. 32 I.G. No.

Brief Descriptive Title

Source and Degree of Reliability:

Press and personal contacts.

Summarization of Report

When Required

1. Estimate of Political Situation in Argentina this Date.

In Comments on Current Events Enter Item Headings Here

1. Estimate of Political Situation in Argentina this Date.

/ Secret conferences growing out of the scandal in the purchase of additional land for El Palmar Air Base have been held at the official residence of President Ortiz almost nightly during the past five days. At the conclusion of the last one yesterday afternoon the President sent his resignation to Congress which at the end of twenty-four hours had taken no action. Last evening both the Radical and Socialist parties held caucuses at which it was agreed that their representatives in the Chamber would vote against acceptance, thus it was reported that the President has sufficient votes to assure the rejection of his resignation.

The resignation gesture may be only a political move: to clear the atmosphere to some extent by doing something; enable the acting president to make political changes under the guidance of President Ortiz; to establish Ortiz as the hope of Argentina thus giving him more power; to gain sympathy with Congress and the people, thus enabling him to quietly "whitewash" or actually drop the investigation of administration scandals, or it may be sincere, a move on his part to be rid of his office and give the people a more stable government. The President in his message of resignation however criticised the Senate for not digging deeper into the scandal.

/ This army land scandal developed slowly but was only a screen for political maneuvering. I feel certain that General Marquez is honest and Argentina's best soldier. He has many political and army enemies who pounced on the land scandal to force him out of the Army and Cabinet. He was attacked by General Bautista Molina(Fascist leader) and promptly placed Molina in arrest for sixty days. Marquez was also attacked by General Ramon Molina(Pro-Ally) who was today reported to be confined.

/ Last night the Acting President granted General Marquez a 15-day leave of absence, thus removing him from active participation in Cabinet meetings and direction of the Army but at the same time keeping the title

G-2 Distribution: 4, 5, 6,
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From M. A. Argentina..... Report No. 6315..... Date August 23, 1940.....
This line to appear on all succeeding pages

Classification

of Minister of War which permits him to defend himself before the Chamber of Deputies.

Admiral Scasso(Fascist) present Minister of Marine has been named by the Acting Chief Executive to assume additionally the Ministry of War. This may be a move to combine Air, Navy and Army under one head, but at the same time it may indicate an uncertainty about the armed forces. By still leaving Marquez with the title but not the power the Government soothes his followers(Pro-Ally and Pro-Argentina) and by placing Scasso actually at the head of the War Ministry plays into the hands of the opposite faction.

I feel that this move was made without the knowledge of the active officers of the Army because I had swimming engagements with G-2 twice this week at 6:30 p.m., and it is not logical that he would have made these commitments with a foreign officer had the staff been advised. Throughout, the retired officers such as the Generals Molina, Pita and Pertiné have been opposing the Minister of War.

First editions of the afternoon papers today published the news that Radical Deputy Guillot had committed suicide. He was named in the Senate investigation report as an acceptor of graft in the land deal. It is also reported that Ex-President Justo(retired general) is about to be involved in an additional land scandal.

There are so many wheels within wheels, and so many political angles that it is impossible to forecast the future.

This is not just an Army affair but is a sizeable political problem which may affect the foreign policies of the Argentine Republic, so for that reason it is believed to be of interest to the War Department.

M. A. Devine Jr.
M. A. Devine, Jr.,
Major, G. S.,
Military Attaché.

All copies airmailed Aug. 23rd.

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Record Section File No.

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For Record Section Only

MILITARY INTELLIGENCE DIVISION
WAR DEPARTMENT GENERAL STAFF

MILITARY ATTACHE REPORT Argentina

Country Reported On

Subject Comments on Current Events No. 35 I.G. No.

Ref Descriptive Title

Source and Degree of Reliability:
Official documents.

Summarization of Report
When Required
1. Nazi Meetings Barred.
2. Extra Session of Congress.

In Comments on Current Events Enter Item Headline Here

1. Nazi Meetings Barred.

Nazi and Fascist public meetings are henceforth barred in Argentina through orders issued to the police by Dr. Culaciati, the new minister of interior, on October 9th. This is regarded by the public and government officials as an important step towards the preservation and strengthening of Democratic sentiments in Argentina. The order to the police does not use the words "Nazi" or "Fascist" but states that no police permits for meetings are to be issued except those of an "entirely Democratic nature". This order is regarded as a direct result of the recent investigations into Nazi activities in the Territory of Misiones, already reported, and from which investigation several Nazi sympathizers are now awaiting trial.

2. Extra Session of Congress.

Due principally to its lack of taking any action on the 1941 budget estimates and the national defense bill, which was passed by the Chamber in secret session but not acted on by the Senate, the Congress whose regular session came to an end on September 30th was called into Extraordinary Session October 1st by a decree issued through the Ministry of Interior.

There are seven measures on agenda for action: 1. Adjustment of the 1940 estimates, already approved by the Chamber; 2. Budget Bill for 1941 which has not yet been drawn up by the Government; 3. Creation of a Director General of Military Factories and purchase of matériel at a cost of about \$200,000,000 U.S. Currency; two bills); 5. Amnesty Bill already passed by the Chamber but not likely to receive Senate approval (1930 Revolution); 6. Adjustment and increase in estimates for public works; and 7, Bill for constructing hostels for tourists in several provinces where commercial hotel accommodations are inadequate.

M.A. Devin, Jr., Maj. G.S., Military Attaché.

All copies airmailed Oct. 11th.

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From M. A. Argentina..... Report No. 6569..... Date October 11, 1940.....
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MILITARY INTELLIGENCE DIVISION
WAR DEPARTMENT GENERAL STAFF

MILITARY ATTACHE REPORT Argentina

Country Reported On

Subject Comments on Current Events No. 36 I.G. No.

Brief Descriptive Title

Source and Degree of Reliability:

Press; considered reliable.

Summarization of Report

When Required

1. Nazis get Rough.
2. La Prensa on Democracy.
3. Rosario Port Concession.
4. Córdoba Factory to build Gliders.

In Comments on Current Events Enter Item Headlines Here

1. Nazis get Rough.

Gestapo methods were used at the town of Alem, 100 kilometers from Posadas, Territory of Misiones, a few days ago when local Nazis kidnapped and beat up two members of Accion Argentina - the Argentine patriotic society which is fighting anti-Argentine propaganda and actions throughout the country. According to press dispatches from Posadas the presence of the Accion Argentina members aroused the Nazis to such an extent that ¹⁷⁵ "left" their regular meetings and took to the streets where two of the "Accionistas" were kidnapped, taken to a Nazi meeting, and when they refused to give the Hitler salute they were beaten up.

The governor of the Territory when asked for explanations by the Minister of Interior stated that the whole affair had been exaggerated, and the German Embassy in Buenos Aires on its own denied that any such affair had taken place. The governor of Misiones is said to fear to take any drastic action as he has only a year or two to serve for retirement. As the police are inactive in Misiones where the Nazis are concerned - as previously reported - it is said the Gendarmerie will take further action. The Nazis are reported to have stated publicly that within three months Misiones will become a colony of the Reich.

2. La Prensa on Democracy.

The leading Argentine daily, La Prensa of Buenos Aires, commenting editorially on the October 12th speech of President Roosevelt laments that while "the fundamental concepts of President Roosevelt's discourse are clear and logical for the people of this continent, unhappily they have not reached the great majority of the people of Europe".

The writer states that the great mistake made in Europe is to determine nationality by race - "jus sanguinis" - and another is

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From M. A. ... Argentina..... Report No. 6377..... Date October 16, 1940.....
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Comments on Current Events No. 36.

that Europe's leaders and better classes do not know America and believe that one of Europe's large cities can be the center and the world capital.

"This error", states La Prensa, "has led to the mobilization of immense resources for a war in which liberty, so dear to Americans, is defended alone by one nation: that which knows us best. If that nation succumbs, Americans will be faced by those, flushed with victory, who will try to impose on us their system and prejudices with all the bitter consequences. For this reason we must root out all attempts to corrupt the sane American principles of Democracy, liberty and justice."

3. Rosario Port Concession.

The Argentine Government issued a decree October 15th providing that it will take charge of the Rosario port works on October 16, 1942, when the concession of the company, originally financed by French capital, will lapse. From 1902, when the port was constructed, to 1930 the National Government collected \$21,000,000 pesos as its share in the profits of the port whose charges are deemed to be altogether excessive. Since 1930 the accounts have always shown a loss owing to gold pesos, in which the company's accounts are kept, being converted at the current rates instead of the nominal rate of 44 cents gold to the paper peso.

Press comment points out that the government will be unable to take over the concession in 1942 if it has to pay in gold "metal" peso as the concession reads - the gold(coin) peso was worth more than the 100-cent U.S. dollar - as the cost would be more than sixty million paper pesos.

4. Córdoba Factory to build Gliders.

The Córdoba Military Airplane Factory is now prepared to build gliders of the Rhoen-Bussard type under license from Germany from which these gliders formerly came, the Ministry of War announces. The first glider of this type has been built and turned over to Albatross Glider Club and others are to be built in series at low cost to be sold to the glider clubs of Argentina.

These gliders weigh 135 kilograms and can take a cargo of 215 kilos.

M. A. Devine, Jr.
M. A. Devine, Jr.,
Major, G. S.,
Military Attaché.

All copies airmailed Oct. 16th.

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MILITARY INTELLIGENCE DIVISION
WAR DEPARTMENT GENERAL STAFF

MILITARY ATTACHE REPORT Argentina.....

Country Reported On

Subject Comments on Current Events No. 37..... I.G. No.

Brief Descriptive Title

Source and Degree of Reliability:

Buenos Aires Newspapers - Editorials.

Summarization of Report

When Required

1. Reaction to Roosevelt Election.

In Comments on Current Events Enter Item Headings Here

1. Reaction to Roosevelt Election.

Never has a presidential campaign in the United States been followed in the Argentine press with such interest as that which resulted in the re-election of President Roosevelt on November 5th. For days before the election date much space was given to news dispatches, but right before the election "Critica", for example, published a page of interviews with prominent Argentines on the two parties, their candidates and principles. All the press commented editorially the day of the election on the personalities and principles involved, and when the results were known all important papers commented editorially on what the re-election of the President meant to Argentine-United States relations.

✓ There was not a dissenting opinion as to the sagacity of the majority of the electors continuing Mr. Roosevelt in office at this time of world chaos. His "Good Neighbor" policy was acclaimed on all sides, and the hope expressed for a betterment of commercial relations between the two countries under his leadership. Editorial comment also stressed the fact that nearly 50,000,000 voters had been able to go the polls and freely vote their opinion, as contrasted to conditions in the countries ruled by dictators.

✓ Press and public here were suspicious of Mr. Wilkie after his speech in the cattle country when he referred to Argentine beef. A photograph of the banner raised over two Hereford calves reading "This is not Argentine Beef" in front of Wilkie's speaking stand was republished in one weekly here, and on the opposite page was a photograph of a group of fat steers in contrast, with the caption: "But this is Argentine Beef, Mr. Wilkie".

It is also significant that as a result of the election, and only three days later, an Argentine financial mission headed by the general manager of the Central Bank left for Washington by air.

In the absence of the Military Attache.
All copies airmailed Nov. 8th. H.E. Walker, Clerk in Charge. ch6.
G-2 Distribution: 4..... 5..... 6.....
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From M. A. Argentina..... Report No. 6397..... Date November 8, 1940.....
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27 Nov 1940
Record Section File No.

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NOV 27 1940
MILITARY INTELLIGENCE DIVISION
WAR DEPARTMENT GENERAL STAFF

MILITARY ATTACHÉ REPORT Argentina

Country Reported On

Subject Comments on Current Events No. 38. I.G. No.

Brief Descriptive Title

Source and Degree of Reliability:

Buenos Aires Press.

Summarization of Report

When Required

1. German Ambassador Rebuked by La Prensa.

In Comments on Current Events Enter Item Headlines Here

1. German Ambassador Rebuked by La Prensa.

On the occasion of completing seven years service as German Ambassador to Argentina, Baron E. von Thermann, was the guest of honor at a luncheon given in the Jockey Club by General Bautista Molina(retired) and attended by a number of pro-German sympathizers. General Molina was placed on the retired list some time ago allegedly because of his outspoken pro-Nazi sympathies.

The Ambassador made a brief speech of thanks at the luncheon in the course of which he said:"I am convinced the sincerely neutral Argentine Government does not intend leaving German immigrants defenseless against agitation requesting complete repression so that they are forced to return to their own country. I refer to agitation serving transparent aims, wholly contradictory to the stipulations of the Constitution, and promises made to immigrants."

La Prensa commenting said: "It must be borne in mind that the phrases (used by the Ambassador) refer to the objects, in the speakers opinion, of propaganda made or ideas expounded that are against the policies of his country and the objects attributed to those who follow it abroad. The German diplomat has referred unequivocally to the guarantees and rights which are an essential part of Argentine life. This is especially noteworthy when proceeding from the representative of a nation where nothing of this nature exists."

"The confidence of the German Ambassador in regard to the security of his compatriots and the free expression of thought will not be denied as long as they do not take advantage of Constitutional guarantees to conspire against Argentine interests", the paper concludes.

M. A. Devine, Jr.

M. A. Devine, Jr.,

Lt. Col., G. S.,

Military Attaché.

Airmailed Nov. 15th.

G-2 Distribution: 4..... 5..... 6.....

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From M. A. Argentina..... Report No. 6402..... Date November 14, 1940.....
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Record Section File No.

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For Record Section Only

MILITARY INTELLIGENCE DIVISION
WAR DEPARTMENT GENERAL STAFF

MILITARY ATTACHE REPORT Argentina

Subject ... **Comments on Current Events No. 39** **Country Reported On**

I.G. No.

Source and Degree of Reliability:

Personal Contacts: reliable.

Summarization of Report

When Required

1. Estimate of the Political Situation in Argentina this date.
 (In this connection see page 2 Report No. 6325, September 6, 1940,
 Comments on Current Events No. 34).

In Comments on Current Events Enter Item Headings Here

1. Estimate of the Political Situation in Argentina this date.

The political situation in Argentina is not as calm as surface indications would picture.

President Ortiz apparently desires to return to office and has stated in private that the probable date will be before the Santa Fé elections which, I understand, will be held about December 15th.

I am informed that his return to office will be without precedent because in the past upon relinquishing office the presidents have stated the date they will resume the executive power so on that date they automatically returned to office. In this case I understand it will take a decree relinquishing office signed by the Acting President. If Mr. Castillo refuses to sign the decree relinquishing the executive power there will be quite a confusing situation.

I am informed that President Ortiz has let it be known that he will rid himself of the present Cabinet, which may not suit certain members. It is also possible that these members may persuade Acting President Castillo to refuse to sign the decree in view of the fact that President Ortiz has not recovered his health and is therefore unfit for duty.

Have heard from various sources that President Ortiz is still in poor physical condition and unable to read.

✓ He is alleged to have discussed the recent military and naval conferences with a member of the press and stated that it was a subject which the United States should have discussed with all interested countries and not individually with Paraguay and Uruguay.

He further asked the press representative what the United States

G-2 Distribution: 4, 5, 6,
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From M. A. Argentina..... Report No. 6423..... Date November 22, 1940.....
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Comments on Current Events No. 39.

meant by talking about establishing an air base for 1,500 planes in Paraguay, a country where the government might change over night. He further told this man that the United States had to be more specific as regards the direction of the threat.

✓That Argentina would not undertake to go to the defense of Brazil or Chile unless those governments asked for aid, but would go to the assistance of Uruguay in the event of an attack.

✓That it would be presumptious for Argentina to assist in the Caribbean defense, except economically because Argentina was just a mosquito compared to the United States. The secret military and naval conference appears to have been quite well aired.

✓There appears to be friction between the President and the Acting President; between the Foreign Minister and the Ministers of War and Navy; and between the President and the Minister of Finance.

The situation may crystallize about the 15th of December, if not before.

In the meanwhile I will keep your office advised by cable or airmail if events of importance develop.

M. A. Devine Jr.
M. A. Devine, Jr.,
Lt. Col., G.S.,
Military Attaché.

All copies airmailed Nov. 22nd.

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GENERAL STAFF
MILITARY INTELLIGENCE DIVISION
WAR DEPARTMENT GENERAL STAFF

MILITARY ATTACHE REPORT Argentina

Country Reported On

Subject Comments on Current Events No. 41 I.G. No.

Brief Descriptive Title

Source and Degree of Reliability:

As stated.

Summarization of Report

When Required

1. Alleged Attempts to Sabotage S.S. Brazil.

In Comments on Current Events Enter Item Headline Here

✓ 1. Alleged Attempts to Sabotage S.S. Brazil.

Last Friday, November 22nd, I was informed by an Argentine National who is a member of the Nazi Party, that one Domingo Chaves, Filipino, formerly a fireman on the S.S. American Legion but at present in Buenos Aires, would leave for Montevideo and thence by plane to Santos where he would attempt to place a bomb on the S.S. Brazil.

The Embassy was notified, and also Mr. Thomas, Manager here of the Moore-McCormack Lines, who notified the ship's captain, the Port Captain of the company, the police and the agents in Brazil. The police attempted to locate Chaves, reported that it was rumored he was on board the Brazil but later reported his presence in Buenos Aires. Chaves is known by officials of the Moore-McCormack Line.

My informant stated that he had seen the bomb which was made in four sections and is supposed to have been constructed by "Castro" of Buenos Aires.

The Nazi contact man for sabotage, couriers etc. in Rio de Janeiro is said to be Herman Stholz, manager of the Condor Line.

My informant further states that the German agents are making a survey of the West India Oil plant at Campana(just N.W. of Buenos Aires), and are locating tanks with reference to the railway station. In as much as they have a Nazi organization in the refinery it is not known why they are making a ground survey. It is also probable that they have air maps of the plant. It might be just a cross-check. The Standard Oil Company and the Embassy have been notified.

M. A. Devine Jr.
M. A. Devine, Jr.,
Lt. Col., G.S.,
Military Attaché.

All copies airmailed Nov. 29th.

Military Attaché.

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From M. A. Argentina Report No. 6429 Date November 29, 1940.
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Record Section File No.

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RECEIVED 6/12/41 DEC 10 1940
MILITARY INTELLIGENCE DIVISION
WAR DEPARTMENT GENERAL STAFF

MILITARY ATTACHE REPORT Paraguay.

Country Reported On

Subject Comments on Current Events No. 42. I.G. No.

Brief Description Title

Source and Degree of Reliability:

Personal contacts.

Summarization of Report

When Required

1. Paraguayan Officials Exiled.

In Comments on Current Events Enter Item Headlines Here

1. Paraguayan Officials Exiled.

Information has been received by the Military Attaché that ex-Minister of War General Paulino Antola, the ex-Minister of Government and Labor, Colonel Ramón L. Paredes, the ex-Minister of Interior, General Eduardo Torreani Viera, and General Delgado, the ex-commander of the Army, have been ordered to leave Paraguay and will sail this evening (November 29th) by river steamer for Buenos Aires.

The report has not been confirmed.

It appears that the army may have caused these Cabinet and administrative changes in view of the unsettled political conditions in Paraguay and have now decided to exile the former office-holders.

The most powerful individual in Paraguay will be Lieutenant Colonel Damaso Sosa Valdez, ex-commander of the 1st Cavalry Division who holds the Ministry of Interior(all political appointments, police, etc.) and the Ministry of Government and Labor. His power will be absolute provided he has been able to place a trusted friend in command of the 1st Cavalry Division located at Campo Grande. These are the nearest troops to Asuncion.

M. A. Devine Jr.
M. A. Devine, Jr.,
Lt. Col., G.S.,
Military Attaché.

All copies airmailed Nov. 29th.

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From M. A. Paraguay..... Report No. 6441..... Date November 29, 1940.
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